

Hart Schaffner & Marx

Seventh Annual Report, November 30, 1917
with
Auditors' Certificate

Hart Schaffner & Marx

Chicago

New York

New York, January 28, 1918.

To the Stockholders:

The Board of Directors herewith submits to you the financial statement of the Company for the fiscal year ending November 30, 1917, together with the report of the auditors, Messrs. Price, Waterhouse & Company, Certified Public Accountants.

The Company has had a satisfactory year. Higher inventories and advance contracts have been necessitated by market conditions and have contributed to the strength of the Company's merchandising position. The affairs of the Company are in excellent condition. The volume of sales shows a continued gain.

Yours truly,

HARRY HART,

President.

Auditors' Report

To the Stockholders of

Hart Schaffner & Marx:

We have examined the books and accounts of Hart Schaffner & Marx for the fiscal year ending on November 30, 1917, and certify that the attached Balance Sheet and Income Account are correctly prepared therefrom.

The Merchandise and Materials on hand, as shown by Inventories certified by the responsible officials, have been valued at or below Cost, and liberal Reserves have been made for Bad and Doubtful Accounts Receivable, Discounts and other contingencies. The Cash and Bank Balances have been verified by actual count or by certificates obtained from the depositaries, and we have satisfied ourselves that full provision has been made for all ascertained Liabilities; and

WE CERTIFY that, in our opinion, the Balance Sheet is properly drawn up so as to show the true financial position of the Company on November 30, 1917, and that the relative Income Account is a fair and correct statement of the Net Profits and Income for the year ending on that date.

PRICE, WATERHOUSE & CO.,

Certified Public Accountants.

Chicago, January 22, 1918.

Hart Schaffner & Marx

Balance Sheet, as at November 30, 1917

Assets

GOODWILL, TRADE NAMES AND TRADE MARKS.....		\$15,000,000.00
SHOP EQUIPMENT AND FIXTURES, INCLUDING.....		
OFFICE FURNITURE.....	\$484,637.50	
LESS—Depreciation Reserve.....	242,494.71	242,142.79
CURRENT ASSETS:		
Inventories of Materials and Finished and Partly Finished Merchandise on hand (at Cost, less Reserves).....	\$6,335,023.01	
Accounts and Bills Receivable (Net).....	3,708,412.44	
Liberty Loan Bonds (Less Payments by Employees).....	272,795.07	
Cash in Banks and on Hand.....	1,320,846.70	11,637,077.22
DEFERRED CHARGES TO FUTURE OPERATIONS:.....		
Prepaid Insurance Premiums, etc.		32,848.82
		<u>\$26,912,068.83</u>

Liabilities

CAPITAL STOCK:

7% Cumulative Preferred Stock —
Originally Authorized and Issued—
50,000 Shares of \$100.00 each.....

\$5,000,000.00

LESS:

Redeemed and Cancelled—14,305 Shares of \$100.00 each.....
Purchased during the year and held in the Treasury for cancellation—1,734 Shares of \$100.00 each.....

\$1,430,500.00

173,400.00

1,603,900.00

\$3,396,100.00

Common Stock—

Authorized and Issued—
150,000 Shares of \$100.00 each.....

\$15,000,000.00

\$18,396,100.00

CURRENT LIABILITIES:

Bills Payable.....
Accounts and Vouchers Payable.....
Accrued Liabilities for Pay Rolls, Taxes, etc.....
Preferred Stock Dividend (Payable Dec. 31, 1917)....

\$2,500,000.00

901,714.22

581,095.51

59,134.25

4,041,943.98

RESERVE FUNDS:

Preferred Stock Redemption Fund.....
Reserve for Contingencies.....

\$1,603,900.00

150,000.00

1,753,900.00

SURPLUS, as per Statement attached.....

2,720,124.85

\$26,912,068.83

Income and Surplus Account

For the Year Ending November 30, 1917

Profits for the year after deducting Manufacturing, Marketing and Administrative expenses.....

\$1,955,041.45

DEDUCT—

Reserve for Federal Income and War Excess Profits Taxes.....
Depreciation of Shop Equipment, Fixtures, etc.....
Interest Paid, less Interest Received.....

\$270,000.00

47,343.81

33,935.59

351,279.40

Net Profits and Income for the year.....

\$1,603,762.05

ADD—Balance of Surplus at December 1, 1916.....

2,155,714.08

\$3,759,476.13

DEDUCT—Appropriations therefrom:

Dividends paid and declared—
Preferred Stock, 7% per annum.....
Common Stock, 4% per annum.....
Preferred Stock Redemption Fund.....
Premiums on Preferred Stock purchased.....

\$240,842.63

600,000.00

840,842.63

173,400.00

25,108.65

1,039,351.28

Total Unappropriated Surplus at November 30, 1917,
as per Balance Sheet.....

\$2,720,124.85